

RECORDATION NO. 21002-B FILED

DEC 3 - '97

11-30AM

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OF COUNSEL
URBAN A. LESTER

December 3, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Lease Closing Schedule, dated December 2, 1997, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Master Equipment Lease Agreement previously filed with the Board under Recordation Number 21002.

The names and addresses of the parties to the enclosed document are:

Lessor: MetLife Capital, Limited Partnership
10900 N.E. 4th Street, Suite 500
Bellevue, Washington 98009

Lessee: LTV Steel Company, Inc.
200 Public Square
Cleveland, Ohio 44114

A description of the railroad equipment covered by the enclosed document is:

ninety-three (93) ore cars bearing reporting marks and road numbers LTV 3401 through LTV 3493

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Mr. Vernon A. Williams
December 3, 1997
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Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return two stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

DEC 3 - '97

11-30AM

LEASE CLOSING SCHEDULE

| | |
|---|--------------------------------|
| Lessee Name: | <u>LTV Steel Company, Inc.</u> |
| Equipment Lease No.: | <u>Three</u> |
| Master Equipment Lease Agreement Dated: | <u>August 19, 1997</u> |
| Lease No.: | <u>22</u> |
| Schedule No.: | <u></u> |
| Closing Date: | <u></u> |

1. Description of Equipment:

Ninety-Three (93) 100-Ton 1490 Cu. Ft., Ore Cars as detailed on the attached Exhibit "A"

2. Location of Equipment: (Lessee agrees that the Equipment will at all times remain in the possession and control of Lessee at the location(s) specified below, and will not be removed without Lessor's prior written consent.)

County Road 666, Warehouse 42
Hoyt Lakes, MN 557503. Total Equipment Cost: \$5,600,831.69

4. Periodic Rent:

| | | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| The total sum of | <u>\$5,476,758.25</u> | | |
| Dollars in | <u>17</u> | Installments of | <u>\$144,973.01**</u> |
| Dollars in | <u>17</u> | installments of | <u>\$177,189.24**</u> |
| Dollars each, payable commencing on | <u></u> | | |
| and at | <u>quarterly</u> | intervals thereafter. | <u></u> |

**The rental factor expressed above as a percentage of Equipment Cost will be adjusted at lease closing in accordance with the following formula:

The rental factor will be converted to a simple interest equivalent rate that is then increased or decreased 1% for each 1% (or pro rata for any fraction of 1%) change in the average yield of 4 year U.S. Treasury Constant Maturities (as published in Federal Reserve Statistical Release H.15{519} from the complete one week period immediately preceding the date of this proposal and the complete one week period immediately preceding the date of lease closing.

5. Early Termination and Early Purchase Option Price*

Section 16. Lessee's Options at Expiration of Lease Term is amended to include the following additional paragraphs:

(d) Provided that the lease term of the Equipment described in the Schedule has not been terminated and that no Event of Default under the Lease has occurred and is continuing, Lessee shall have the option to purchase all but not less than all of the Equipment at the end of the ninetieth (90) month thereof (the "Early Purchase Option Date") for an amount (the "Early Purchase Option Price"), payable in immediately available funds, equal to 53.50 percent (53.50%) of the Acquisition Cost, plus an amount equal to all sales or excise taxes on or measured by the sale of the Equipment to Lessee, and provided further that Lessee shall have notified Lessor in writing of Lessee's intention to exercise such option not more than ninety (90) nor less than sixty (60) days prior to the Early Purchase Option Date. Such option shall be exercisable only on the Early Purchase Option Date and at no other time. If the Early Purchase Option Price of the Equipment has not been paid to Lessor on the Early Purchase Option Date, Lessee shall continue to pay rent for the Equipment as specified in the Lease.

In addition, adjustment of the rental factors as provided above may require corresponding adjustments to the Early Purchase Option Price to preserve Lessor's anticipated transaction economics. Lessee will be provided with adjusted percentages at the time this option to fix is exercised.

6. Return Provisions: In addition to the standard return provisions contained within the Master Equipment Lease Agreement, the following additional special return provisions apply:

Lessee shall give Lessor written notice of its intent to exercise the purchase or renewal option six (6) months prior to termination of the lease. Should a renewal be elected, and Lessee thereafter elects to exercise its purchase option following such renewal period, then Lessee must give the Lessor written notice of Lessee's intent to purchase equipment not less than six (6) months prior to the termination of the renewal period;

All returned railcars must meet the interchange requirements of the AAR, and shall have no outstanding un-corrected maintenance shortcomings.

If railcars are to be returned, a joint inspection will be performed no less than 90 days prior to the Lease termination date between the Lessee and the Lessor, or their respective designated representatives, to evaluate compliance with the above requirement meeting the interchange requirements of the AAR. Any uncorrected faults non-compliance items found to exist will be noted for later negotiations either be corrected by the Lessee prior to the lease termination date or as mutually agreed to between Lessee and Lessor, a monetary compensation settlement amount will be paid by Lessee for all un-corrected, non-compliance items.

The Lessee shall be required to provide up to 180 days storage at no cost to the Lessor. The Lessee shall be required to maintain insurance coverage during this storage period and upon termination of this storage period deliver the railcars, at no cost to the Lessor, by available rail to one location within the Continental U.S. as designated by the Lessor

Lessee, during the storage period, will allow reasonable access to all the returned railcars for viewing and inspection by perspective buyers and upon termination of this storage period deliver the railcars, at no cost to the Lessor, to one location within the Continental U.S. as designated by the Lessor.

7. **Insurance Required** (All policies to require at least 30 days' notice of cancellation to Lessor):

- a. Combined Single Limit Liability, including bodily injury and property damage, of not less than \$2,500,000.00 naming Lessor as additional insured.
- b. All risk physical damage, including burglary and theft, for the full replacement value of the equipment, based on the original equipment cost of \$5,600,831.69 and Loss Payable Endorsement naming Lessor as loss payee.
- c. Other: n/a

8. **Stipulated Loss Values:**

| | | | |
|--------------|---------|---------------|--------|
| First Year: | 104.06% | Sixth Year: | 87.50% |
| Second Year: | 102.16% | Seventh Year: | 80.96% |
| Third Year: | 99.60% | Eighth Year: | 73.93% |
| Fourth Year: | 96.51% | Ninth Year: | % |
| Fifth Year: | 92.99% | Tenth Year: | % |

Accepted and agreed this 2nd day of December, 1997 by and between the parties hereto as that certain Master Equipment Lease Agreement, Equipment Lease No. Three and Schedule No. One stated above.

LESSOR:

MetLife Capital, Limited Partnership

By: MetLife Capital Corporation
Its: General Partner

By: [Signature]
Its: Vice President

STATE OF Washington
COUNTY OF King

LESSEE:

LTV Steel Company, Inc.

By: _____
Its: _____
By: _____
Its: _____

On this 1st day of December, 1997, before me a Notary Public, personally appeared JUDY JOHNSTON to me known to be the VICE PRESIDENT of MetLife Capital, Limited Partnership, who executed the foregoing instrument and acknowledged the said instrument was the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

[Signature]
Notary Public in and for the
State of Washington
residing at Kirkland

My Commission expires: May 5, 1998

If railcars are to be returned, a joint inspection will be performed no less than 90 days prior to the Lease termination date between the Lessee and the Lessor, or their respective designated representatives, to evaluate compliance with the above requirement meeting the interchange requirements of the AAR. Any uncorrected faults non-compliance items found to exist will be noted for later negotiations either be corrected by the Lessee prior to the lease termination date or as mutually agreed to between Lessee and Lessor, a monetary compensation settlement amount will be paid by Lessee for all un-corrected, non-compliance items.

The Lessee shall be required to provide up to 180 days storage at no cost to the Lessor. The Lessee shall be required to maintain insurance coverage during this storage period and upon termination of this storage period deliver the railcars, at no cost to the Lessor, by available rail to one location within the Continental U.S. as designated by the Lessor

Lessee, during the storage period, will allow reasonable access to all the returned railcars for viewing and inspection by perspective buyers and upon termination of this storage period deliver the railcars, at no cost to the Lessor, to one location within the Continental U.S. as designated by the Lessor.

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- a. Combined Single Limit Liability, including bodily injury and property damage, of not less than \$2,500,000.00 naming Lessor as additional insured.
- b. All risk physical damage, including burglary and theft, for the full replacement value of the equipment, based on the original equipment cost of \$5,600,831.69 and Loss Payable Endorsement naming Lessor as loss payee.
- c. Other: n/a

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| Second Year: | <u>102.16%</u> | Seventh Year: | <u>80.96%</u> |
| Third Year: | <u>99.60%</u> | Eighth Year: | <u>73.93%</u> |
| Fourth Year: | <u>96.51%</u> | Ninth Year: | <u>%</u> |
| Fifth Year: | <u>92.99%</u> | Tenth Year: | <u>%</u> |

Accepted and agreed this _____ day of _____, 19____ by and between the parties hereto as that certain Master Equipment Lease Agreement, Equipment Lease No. Three and Schedule No. One stated above.

LESSOR:

MetLife Capital, Limited Partnership

By: **MetLife Capital Corporation**
Its: **General Partner**

By: _____
Its: Vice President

LESSEE:

LTV Steel Company, Inc.

By: JCSkunk
Its: VP TREASURER

By: _____
Its: _____

| This Exhibit 'A' is attached to and made part of that | | | | | |
|--|------------|------------|------------|------------|------------|
| Lease Closing Schedule | | | | | |
| by and between MetLife Capital, Limited Partnership, as Lessor | | | | | |
| and LTV Steel Company, Inc., as Lessee | | | | | |
| Ninety-Three (93) 100-Ton 1490 Cu. Ft. Ore Cars | | | | | |
| Car Number | Car Number | Car Number | Car Number | Car Number | Car Number |
| LTVX-3401 | LTVX-3416 | LTVX-3431 | LTVX-3446 | LTVX-3461 | LTVX-3476 |
| LTVX-3402 | LTVX-3417 | LTVX-3432 | LTVX-3447 | LTVX-3462 | LTVX-3477 |
| LTVX-3403 | LTVX-3418 | LTVX-3433 | LTVX-3448 | LTVX-3463 | LTVX-3478 |
| LTVX-3404 | LTVX-3419 | LTVX-3434 | LTVX-3449 | LTVX-3464 | LTVX-3479 |
| LTVX-3405 | LTVX-3420 | LTVX-3435 | LTVX-3450 | LTVX-3465 | LTVX-3480 |
| LTVX-3406 | LTVX-3421 | LTVX-3436 | LTVX-3451 | LTVX-3466 | LTVX-3481 |
| LTVX-3407 | LTVX-3422 | LTVX-3437 | LTVX-3452 | LTVX-3467 | LTVX-3482 |
| LTVX-3408 | LTVX-3423 | LTVX-3438 | LTVX-3453 | LTVX-3468 | LTVX-3483 |
| LTVX-3409 | LTVX-3424 | LTVX-3439 | LTVX-3454 | LTVX-3469 | LTVX-3484 |
| LTVX-3410 | LTVX-3425 | LTVX-3440 | LTVX-3455 | LTVX-3470 | LTVX-3485 |
| LTVX-3411 | LTVX-3426 | LTVX-3441 | LTVX-3456 | LTVX-3471 | LTVX-3486 |
| LTVX-3412 | LTVX-3427 | LTVX-3442 | LTVX-3457 | LTVX-3472 | LTVX-3487 |
| LTVX-3413 | LTVX-3428 | LTVX-3443 | LTVX-3458 | LTVX-3473 | LTVX-3488 |
| LTVX-3414 | LTVX-3429 | LTVX-3444 | LTVX-3459 | LTVX-3474 | LTVX-3489 |
| LTVX-3415 | LTVX-3430 | LTVX-3445 | LTVX-3460 | LTVX-3475 | LTVX-3490 |
| | | | | | LTVX-3491 |
| | | | | | LTVX-3492 |
| | | | | | LTVX-3493 |

District of Columbia)
)
City of Washington) ss:

I, KIM L. BARTMAN, Notary for the District of Columbia, hereby certify that the attached "Lease Closing Schedule" dated December 2, 1997, between MetLife Capital and LTV Steel Company, Inc. is a true and complete copy of the original thereof.

Certified this 3rd day of December, 1997.



NOTARY PUBLIC

My commission expires: 3-31-2000